

TAX CODE "15": INDIVISIBLE PREMIUM

INDIVISIBLE PREMIUM MULTIPLE-LINE POLICIES CONSIST MAINLY OF HOMEOWNERS AND FARM OWNERS POLICIES. OTHER MULTIPLE-LINE POLICIES HAVE DIVISIBLE PREMIUMS AND THE APPROPRIATE TAX FOR THE VARIOUS LINES OF INSURANCE IS APPLICABLE SEPARATELY.

SINCE KRS 91A.080 REQUIRES A BREAKDOWN OF ALL COLLECTIONS BY CATEGORY, INDIVISIBLE PREMIUM MULTIPLE-LINE POLICIES MUST BE BROKEN DOWN GIVING A WEIGHT OF TWO-THIRDS OF THE PREMIUM TO THE FIRE PROVISION AND ONE-THIRD OF THE PREMIUM TO THE CASUALTY PROVISION BEFORE DETERMINING THE TAX.

TAX TABLE**TAX****CODE****TAX CODE DESCRIPTION**

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| 1 | TAX CHARGE SHALL NOT APPLY TO SCHOOLS, CHURCHES, PUBLIC BUILDINGS, NOR BURIAL ASSOCIATIONS FOR BURIAL SERVICE. |
| 2 | TAX CHARGE SHALL NOT APPLY TO CROP-HAIL, FLOOD, BONDS, OR INSURANCE PURCHASED BY THE CITY. |
| 3 | TAX CHARGE SHALL NOT INCLUDE PREMIUMS PAID ON PROPERTY OR RISKS OWNED BY THE CITY; STRUCTURES ACTUALLY USED AS CHURCHES, PLACES OF WORSHIP OR PARSONAGES; ALL HIGH SCHOOLS AND ELEMENTARY SCHOOLS WHETHER PUBLIC, CHURCH OR PRIVATE. |
| 4 | TAX CHARGE SHALL NOT APPLY TO COUNTY AND COUNTY BOARDS' COVERAGES, NOR MUNICIPAL AND RURAL COOPERATIVE ELECTRIC UTILITY OPERATIONS. |
| 5 | TAX CHARGE SHALL NOT APPLY TO CHURCHES, PUBLIC SCHOOL DISTRICT PROPERTIES, OR PROPERTIES USED EXCLUSIVELY FOR RELIGIOUS, EDUCATIONAL OR CHARITABLE PURPOSES. |
| 6 | TAX CHARGE SHALL NOT APPLY TO INSURANCE PURCHASED BY THE CITY. |
| 7 | MULTIPLE-LINE INSURANCE POLICIES, WITH INDIVISIBLE PREMIUM, ARE TAXED AT THE RATE OF 5.5%. INDIVISIBLE PREMIUMS (SEE TAX CODE "15"). |

KENTUCKY LOCAL GOVERNMENT PREMIUM TAXES

2003-2004 EDITION

- 8 TAX CHARGE SHALL NOT APPLY TO PROPERTY USED EXCLUSIVELY FOR RELIGIOUS, EDUCATIONAL, OR CHARITABLE PURPOSES. INDIVISIBLE PREMIUMS (SEE TAX CODE "15").
- 9 TAX CHARGE SHALL NOT APPLY TO PROPERTY USED EXCLUSIVELY FOR RELIGIOUS, EDUCATIONAL PURPOSES, WHETHER PUBLIC, CHURCH, OR PRIVATE.
- 10 TAX CHARGE SHALL NOT APPLY TO BONDS; RELIGIOUS SECTS; NATIONALLY RECOGNIZED CHARITABLE ORGANIZATIONS; OR ON PROPERTY OWNED BY FEDERAL, STATE, COUNTY, OR MUNICIPAL GOVERNMENTS.
- 11 TAX CHARGE SHALL NOT APPLY TO PROPERTIES USED OR OWNED BY ANY RELIGIOUS ORGANIZATION.
- 12 TAX CHARGE SHALL NOT APPLY TO CROP-HAIL INSURANCE.
- 13 JEFFERSONTOWN LEVIES A \$25.00 BUSINESS LICENSE FEE PER ANNUM (\$6.25 QUARTERLY). THIS FEE IS PER INSURANCE COMPANY, NOT PER LINE OF BUSINESS.
- 14 TAX CHARGE SHALL NOT APPLY TO CHURCHES.
- 15 INDIVISIBLE PREMIUMS (SEE PREVIOUS PAGE).
- 16 TAX CHARGE SHALL NOT APPLY TO PROPERTY USED EXCUSLIVELY FOR RELIGIOUS, EDUCATIONAL OR CHARITABLE PURPOSES.
- 17 TAX CHARGE SHALL NOT APPLY TO DOCTORS MALPRACTICE INSURANCE.
- 18 TAX CHARGE SHALL NOT APPLY TO POLICIES ISSUED TO GOVERNMENTAL UNITS AND POLICIES INSURING THE MAIN LOCATION OF ALL ORGANIZED CHARITIES AND POLICIES INSURING THE MAIN LOCATION OF ALL ORGANIZED CHURCHES.
- 19 TAX CHARGE SHALL BE 7% FOR NON COMMERCIAL AND 3% FOR COMMERCIAL INSURANCE. TAX CHARGE SHALL NOT APPLY TO INSURANCE FOR CARGO AND PRODUCT LIABILITY
- 20 TAX CHARGE FOR AUTOMOBILE SHALL BE 3% ON PRIVATE AUTOMOBILES OF NATURAL PERSONS RESIDING WITHIN THE CORPORATE LIMITS AND 10% ON AUTOMOBILE INSURANCE NOT ON PRIVATE AUTOMOBILES OF NATURAL PERSONS. TAX CHARGE SHALL NOT APPLY TO MEDICAL MALPRACTICE FOR ANY RESIDENT OR GROUP; BONDS; PROPERTY USED EXCLUSIVELY FOR RELIGIOUS OR CHARITABLE PURPOSES; OR FEDERAL, STATE, COUNTY, OR MUNICIPAL GOVERNMENTS.

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- 21 TAX CHARGE INCLUDES ALL INCORPORATED AND UNINCORPORATED AREAS OF THE COUNTY EXCEPT FOR THE INCORPORATED AREA OF MAYSVILLE.
- 22 THE PAYEE ADDRESS FOR FORT THOMAS, KENTUCKY, IS A DIRECT DEPOSIT ADDRESS IN OHIO.
- 23 THIS COUNTY TAX HAS BEEN IMPOSED ON ALL UNINCORPORATED AREAS WITHIN THIS COUNTY. SINCE ALL MUNICIPALITIES ON THE MASTER LIST ARE INCORPORATED, THIS TAX WILL NOT APPLY TO THEM.
- 24 TAX CHARGE SHALL NOT APPLY TO PREMIUMS COLLECTED FROM ALL ACCREDITED SCHOOLS AND ALL ORGANIZED RELIGIOUS ORGANIZATIONS; I.E. CHURCHES, SYNAGOGUES, AND PLACES WHERE WORSHIP SERVICES ARE HELD ON A REGULAR BASIS; NOR PREMIUMS PAID TO ANY STATE EMPLOYEE BENEFIT FUND CREATED PURSUANT TO KRS CHAPTER 18A.
- 25 TAX CHARGE SHALL NOT INCLUDE PREMIUMS PAID ON PROPERTY OR RISKS OWNED BY ANY FEDERAL, STATE, COUNTY, OR MUNICIPAL GOVERNMENT, OR ANY AGENCY THEREOF; PREMIUMS PAID ON PROPERTY OR RISKS OWNED BY ANY BONA FIDE RELIGIOUS DENOMINATION OR SECT, OR ANY NATIONALLY RECOGNIZED CHARITABLE ORGANIZATION; ANY AND ALL BONDS OF FIDUCIARY, SURETY, AND INDEMNITY NATURE.
- 26 THIS CITY IMPOSES A \$5.00 PER POLICY MINIMUM TAX DUE QUARTERLY.
- 27 TAX CHARGE SHALL NOT APPLY TO PROPERTY USED EXCLUSIVELY FOR RELIGIOUS, EDUCATIONAL, OR CHARITABLE PURPOSES, OR PROPERTY OWNED BY THE CITY. INDIVISIBLE PREMIUMS (SEE TAX CODE "15").
- 28 TAX CHARGE SHALL NOT APPLY TO THE CITY, ITS OFFICERS, AGENTS, OR EMPLOYEES WHILE ACTING IN OFFICIAL CAPACITY.
- 29 TAX CHARGE SHALL NOT APPLY TO BUILDINGS USED EXCLUSIVELY FOR PUBLIC WORSHIP.
- 30 TAX CHARGE SHALL NOT APPLY TO CROP INSURANCE.

- A THIS COUNTY TAX IS IMPOSED PURSUANT TO KRS 91A.080 (7/13/90) AND IS IMPOSED ON ALL AREAS OF THE COUNTY. KRS 91A.080 (7/13/90) ALLOWS INSURANCE COMPANIES TO CREDIT CITY LICENSE FEES OR TAXES AGAINST THE SAME LICENSE FEES OR TAXES LEVIED BY THE COUNTY. FOR REPORTING PURPOSES, WHERE THE CITY HAS THE SAME OR HIGHER TAX RATE, REPORT TO THE CITY ON PREMIUMS COLLECTED FOR RISKS WITHIN THE CITY AND NO REPORT IS NECESSARY TO THE COUNTY ON THOSE PREMIUMS; HOWEVER, WHERE THE CITY TAX IS LESS THAN THE COUNTY TAX, A REPORT MUST BE SENT TO THE CITY, A CREDIT TAKEN ON LGT-142, AND THE BALANCE DUE PAID TO THE COUNTY. **FOR THIS SCHEDULE**, THERE ARE 19 CITIES THAT NEED AN LGT-142 FILED - BRECKINRIDGE COUNTY - INCLUDES CLOVERPORT, HARDINSBURG AND IRVINGTON; BULLITT COUNTY - INCLUDES PIONEER VILLAGE; CASEY COUNTY - INCLUDES LIBERTY; HOPKINS COUNTY - INCLUDES DAWSON SPRINGS, HANSON, MADISONVILLE, MORTONS GAP, NEBO, NORTONVILLE, ST. CHARLES AND WHITE PLAINS; JEFFERSON COUNTY - INCLUDES TEN BROECK, AND WATTERSON PARK; MASON COUNTY - INCLUDES DOVER; MEADE COUNTY - INCLUDES EKRON; PULASKI COUNTY - INCLUDES SCIENCE HILL; WAYNE COUNTY - INCLUDES MONTICELLO; (SEE LGT-142 INSTRUCTIONS). JEFFERSONTOWN IN JEFFERSON COUNTY LEVIES A FLAT FEE. THEREFORE, NO CREDIT IS ALLOWED, AND ALL PREMIUMS IN JEFFERSONTOWN MUST BE REPORTED TO JEFFERSON COUNTY.
- B INCLUDES ALL INCORPORATED AND UNINCORPORATED AREAS OF THE COUNTY. IMPLEMENTED PRIOR TO JULY 13, 1990. GENERALLY, INSURERS WHICH PAY LICENSE FEES OR TAXES UNDER KRS 91A.080 ARE PERMITTED TO CREDIT CITY LICENSE FEES OR TAXES AGAINST THE SAME LICENSE FEES OR TAXES LEVIED BY THE COUNTY ONLY "...WHEN THE LICENSE FEES OR TAXES ARE LEVIED BY THE COUNTY ON OR AFTER JULY 13, 1990." THE STATUTE "GRANDFATHERS" COUNTY TAXES WHICH WERE LEVIED PRIOR TO JULY 13, 1990. THEREFORE, PREMIUMS COLLECTED WITHIN THESE CITIES MUST ALSO BE REPORTED TO THE COUNTIES: LAWRENCEBURG--ANDERSON COUNTY; HICKMAN--FULTON COUNTY; SPRINGFIELD--WASHINGTON COUNTY.
- C COUNTY MEANS ALL INCORPORATED AND UNINCORPORATED AREAS OF PULASKI COUNTY, EXCEPT THE INCORPORATED AREAS OF THE CITIES OF SOMERSET, AND BURNSIDE.

KENTUCKY LOCAL GOVERNMENT PREMIUM TAXES

2003-2004 EDITION

- D THIS IS AN URBAN COUNTY GOVERNMENT WHICH COMBINES THE CITY OF LEXINGTON AND THE COUNTY OF FAYETTE INTO ONE GOVERNMENT. THIS MEANS THAT THERE IS ONLY ONE (1) TAX PAYABLE TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT. LIVESTOCK AND WAR RISK ARE EXCLUDED FROM THE LOCAL GOVERNMENT PREMIUM TAX IN THIS COUNTY.
- E THIS COUNTY TAX HAS BEEN IMPOSED ON ALL UNINCORPORATED AREAS WITHIN THIS COUNTY. SINCE ALL MUNICIPALITIES ON THIS MASTER LIST ARE INCORPORATED, THIS TAX WILL NOT APPLY TO THEM. THIS COUNTY TAX WAS IMPLEMENTED PRIOR TO JULY 13, 1990; THEREFORE, INSURANCE COMPANIES MAY NOT TAKE THE CITY CREDITS PURSUANT TO KRS 91A.080 7/13/90.
- F THIS CITY EXEMPTS ALL ADMINISTRATIVE AGENCIES OF THAT CITY.
- G TAX CHARGE SHALL NOT APPLY TO ANY POLICY PURCHASED BY THE CITY OR ANY EMERGRNCY SERVICE ORGANIZATION.
- H THE CITIES OF KEENELAND AND WHIPPS MILLGATE HAVE BEEN INCORPORATED INTO THE CITY OF LYNDON. ALSO THE CITY OF CRESCENT PARK HAS MERGED INTO THE CITY OF FORT MITCHELL.
- I THE CITIES OF CHERRYWOOD VILLAGE, FAIRMEADE, PLYMOUTH VILLAGE AND SPRINGLEE WERE INCORPORATED INTO THE CITY OF ST. MATTHEWS.

IMPORTANT INSTRUCTIONS

1. THE PERCENTAGE RATES ARE TO BE CHARGED TO THE INSURED, PER POLICY, PLUS THE COLLECTION FEE THE INSURER MAY CHARGE THE INSURED PURSUANT PROVISIONS OF REGULATION 806 KAR 2:090 AND 2:096.
2. MINIMUM TAX IS QUARTERLY, PER COMPANY, AND NOT CHARGEABLE TO THE INSURED.
3. FLAT FEES ARE TO BE PAID QUARTERLY, PER COMPANY. FLAT FEES ARE NOT CHARGEABLE TO THE INSURED. FLAT FEES ARE INSURANCE COMPANY OVERHEAD EXPENSES.

4. THE LICENSE FEES OR TAXES SHALL BE DUE THE CITY OR COUNTY OR URBAN-COUNTY GOVERNMENT THIRTY (30) DAYS AFTER THE END OF EACH CALENDAR QUARTER. ANNUALLY, BY MARCH 31, EACH INSURER SHALL FURNISH EACH CITY OR COUNTY OR URBAN-COUNTY GOVERNMENT A BREAKDOWN OF ALL COLLECTIONS IN THE PRECEDING CALENDAR YEAR FOR EACH CATEGORY OF INSURANCE. A COPY OF THIS BREAKDOWN, ALONG WITH A \$5.00 FILING FEE, IS ALSO DUE ANNUALLY, BY MARCH 31, TO THE DEPARTMENT OF INSURANCE. THE BREAKDOWNS ARE TO BE MAILED AND FILED SEPARATELY BY EACH COMPANY (NOT GROUP) AND UNDER SEPARATE COVER FOR EACH COMPANY. THE MAILING OF THE BREAKDOWNS TO THE DEPARTMENT, TOGETHER, AS A GROUP MAY RESULT IN ONLY ONE COMPANY RECEIVING CREDIT FOR THE TIMELY FILING WITH THE DEPARTMENT.
5. DO NOT WAIT TO RECEIVE A TAX NOTICE FROM THE LOCAL GOVERNMENT TAXING AUTHORITY BEFORE FILING THE UNIFORM TAX RETURN PRESCRIBED PURSUANT KRS 91A.080 (6) AND REGULATION 806 KAR 2:095. OTHERWISE YOU WILL BE CONFRONTED WITH A DELINQUENT TAX RETURN AND CONSEQUENTIAL PENALTIES.
6. DO NOT SEND CITY OR COUNTY OR URBAN-COUNTY "PREMIUM TAX RETURNS" WITH ANNUAL STATEMENTS OR REVENUE FORM 74A100 (INSURANCE TAX RETURN - 2%). SEND EACH DOCUMENT UNDER SEPARATE COVER.
7. IN THE INSTANCE OF NO UNDERWRITING OR NO TAX DUE TO ANY TAXING AUTHORITY, ADVISE THIS DEPARTMENT ANNUALLY OF THIS FACT, IN WRITING, ALONG WITH THE \$5.00 FILING FEE, IN ORDER TO BE IN COMPLIANCE.
8. FAILURE TO PAY ALL LOCAL GOVERNMENT PREMIUM TAXES IS GROUNDS FOR REVOCATION OF INSURER'S CERTIFICATE OF AUTHORITY UNDER KRS 91A.080 AND 304.3-200.
9. ON POLICIES NAMING A CITY OR THE STATE OR ONE OF ITS AGENCIES AS THE INSURED, THE LOCAL GOVERNMENT TAX SHALL NOT BE ADDED TO THE POLICY PREMIUM. NO LICENSE FEE OR TAX SHALL APPLY TO PREMIUMS RECEIVED ON POLICIES OF GROUP HEALTH INSURANCE PROVIDED FOR STATE EMPLOYEES NOR PREMIUMS RECEIVED FOR INSURING EMPLOYERS AGAINST LIABILITY OR PERSONAL INJURIES TO EMPLOYEES, OR DEATH CAUSED THEREBY, UNDER THE PROVISIONS OF THE WORKERS' COMPENSATION ACT.

10. ADDRESS FOR:

- (A) CITY GOVERNMENT - SEE LIST CIRCULATED BY THE DEPARTMENT OF INSURANCE.
- (B) COUNTY GOVERNMENT - SEE LIST CIRCULATED BY THE DEPARTMENT OF INSURANCE.
- (C) DIRECT PAYMENT TO THE TAXING AUTHORITY ONLY; BREAKDOWNS OF ALL COLLECTIONS FOR THE PRECEDING CALENDAR YEAR ARE DUE ANNUALLY, BY MARCH 31ST, TO EACH TAXING AUTHORITY AND TO THE DEPARTMENT OF INSURANCE. (THE DEPARTMENT ALSO REQUIRES A \$5.00 FILING FEE PURSUANT TO 806 KAR 2:095.)

11. ZIP CODES SHALL NOT BE USED TO DETERMINE THE TAX LIABILITY. THE LOCATION OF A RISK WITHIN THE CORPORATE LIMITS OF THE CITY OR COUNTY OR URBAN-COUNTY GOVERNMENT DETERMINES THE TAX LIABILITY.

12. NO COUNTY MAY IMPOSE THIS TAX UPON PREMIUMS RECEIVED ON POLICIES ISSUED TO PUBLIC SERVICE COMPANIES WHICH PAY AD VALOREM TAXES PURSUANT TO KRS 91A.080.

13. PURSUANT TO KRS 91A.080, TAXES ON LIFE INSURANCE POLICIES MAY BE BASED UPON THE FIRST YEAR'S PREMIUMS AND APPLIED TO THE AMOUNT ACTUALLY COLLECTED WITHIN THE FIRST YEAR.

JANIE A. MILLER, COMMISSIONER
KENTUCKY DEPARTMENT OF INSURANCE